



# House of Representatives

General Assembly

**File No. 511**

*January Session, 2017*

Substitute House Bill No. 7270

*House of Representatives, April 11, 2017*

The Committee on Education reported through REP. FLEISCHMANN of the 18th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

***AN ACT CONCERNING THE EDUCATION COST-SHARING GRANT  
FORMULA FOR FISCAL YEARS ENDING JUNE 30, 2018, AND JUNE  
30, 2019.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2017*) There is established an  
2 education cost-sharing grant formula that equitably distributes state  
3 education funds to towns, and such formula shall include adjusted  
4 equalized net grand lists, as defined in section 10-262f of the general  
5 statutes, current student census data and measures of student need.

6 Sec. 2. (*Effective from passage*) (a) Not later than thirty days after the  
7 effective date of this section, the Department of Education shall issue a  
8 request for proposals for the purpose of conducting an adequacy study  
9 of public school funding in the state. Such adequacy study shall  
10 include, but need not be limited to, (1) an examination and analysis of  
11 the cost of delivering educational services in the state, (2) an adequate  
12 amount for the foundation level, and (3) equity adjustments for

13 student need weights, such as students who are below the level of  
14 poverty as determined under Part A of Title I of the Elementary and  
15 Secondary Education Act, 20 USC 6301 et seq., students who are  
16 eligible for free and reduced price lunches pursuant to federal law and  
17 regulations, students enrolled in Husky A, and students who are  
18 English language learners as defined in section 10-76kk of the general  
19 statutes. Not later than August 14, 2017, the department shall select a  
20 person, as defined in section 1-79 of the general statutes, that has  
21 expertise in public funding for education to conduct such adequacy  
22 study.

23 (b) (1) Not later than December 14, 2017, such person shall submit  
24 an interim report on such adequacy study to the State Board of  
25 Education and the joint standing committees of the General Assembly  
26 having cognizance of matters relating to education and appropriations  
27 and the budgets of state agencies, in accordance with the provisions of  
28 section 11-4a of the general statutes.

29 (2) Not later than February 14, 2018, such person shall submit such  
30 adequacy study to the State Board of Education and the joint standing  
31 committees of the General Assembly having cognizance of matters  
32 relating to education and appropriations and the budgets of state  
33 agencies, in accordance with the provisions of section 11-4a of the  
34 general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2017</i>	New section
Sec. 2	<i>from passage</i>	New section

**ED**      *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

### ***OFA Fiscal Note***

#### ***State Impact:***

Agency Affected	Fund-Effect	FY 18 \$	FY 19 \$
Education, Dept.	GF - Uncertain	See Below	See Below
Education, Dept.	GF - Cost	250,000- 500,000	None

Note: GF=General Fund

#### ***Municipal Impact:***

Municipalities	Effect	FY 18 \$	FY 19 \$
Local and Regional School Districts	Uncertain	See Below	See Below

### ***Explanation***

This bill establishes an education cost-sharing (ECS) grant formula that equitably distributes state education funds to towns; however, the bill does not delineate (1) a specific formula or (2) the level of funding. Therefore, the fiscal impact to the state and local and regional boards of education is uncertain. Currently, the state appropriates approximately \$2.037 billion in the ECS grant.

The bill also requires the State Department of Education to issue a request for proposals (RFP) for, and to contract with, a vendor to produce a public education cost adequacy study for Connecticut. It is anticipated that an adequacy study will cost \$250,000 -\$500,000, based on comparable studies that have been completed.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to a delineation of funds and an

established funding level, except for the adequacy study, which is one-time in nature.

Sources: <http://apaconsulting.net/>

**OLR Bill Analysis****sHB 7270*****AN ACT CONCERNING THE EDUCATION COST-SHARING GRANT FORMULA FOR FISCAL YEARS ENDING JUNE 30, 2018, AND JUNE 30, 2019.*****SUMMARY**

This bill establishes a new education cost sharing (ECS) formula that equitably distributes state education funds to towns, but the bill does not provide any of the formula details. The bill requires the formula to include the following factors:

1. adjusted equalized net grand lists, as defined in education law;
2. current student census data; and
3. measures of student need.

The bill does not use or alter the existing statutory formula factors, including the three mentioned above (see BACKGROUND). The funding formula has not been used since fiscal year 2014; instead the recent budgets provide an ECS dollar allocation for each town.

The bill also requires the State Department of Education (SDE) to issue a request for proposals (RFP) for, and to contract with, a vendor to produce a public education cost adequacy study for Connecticut.

EFFECTIVE DATE: July 1, 2017, except upon passage for the cost adequacy study.

**EDUCATION COST ADEQUACY STUDY**

Within 30 days of its passage, the bill requires SDE to issue an RFP for proposals to conduct an adequacy study of public school funding in Connecticut. The study must at least include (1) an examination and

analysis of the cost of delivering educational services in the state, and(2) an adequate amount for the foundation level (a primary factor in the ECS funding formula).

It must also include equity adjustments for student need weights, such as students who are:

1. below the poverty level as determined under Title I of the federal Elementary and Secondary Education Act (20 U.S.C 6301 et seq.);
2. eligible for free and reduced price lunches under the federal school nutrition programs;
3. enrolled in Husky A, the state's Medicaid program; and
4. English language learners as determined by local boards of education and reported to SDE.

By August 14, 2017, the bill requires SDE to select a person, company, corporation, limited liability company, firm, partnership, association, or other organization that has expertise in public education funding to conduct the study.

The bill requires the selected vendor to submit an interim report by December 14, 2017 to the State Board of Education and the Education and Appropriations committees. The final report must also be submitted to the same three entities by February 14, 2018.

## **BACKGROUND**

### ***ECS Formula Factors***

The following are some of the ECS formula factors under current law:

1. foundation amount, \$11,525 per student (this amount is not the grant, but the education expense to be split between a town and the state depending upon the equalization aid percentage);

2. poverty measure, percentage of students eligible for free or reduced priced lunch; and
3. poverty student weighting, added 0.3 for every eligible student.

***Related Bill***

SB 1, reported favorably by, the Education Committee, also establishes an ECS formula but does not provide specifics.

**COMMITTEE ACTION**

Education Committee

Joint Favorable Substitute

Yea 31 Nay 5 (03/22/2017)